

Current report no. 115/2007

Wysogotowo, 12th December 2007

Re:

Issue of bonds by PBG SA and granting guaranties by subsidiaries

With regard to current report 45/2007 of Hydrobudowa Włocławek SA, PBG subsidiary, published on 23rd November 2007 (available at <http://www.hydrobudowa-wloclawek.pl/>), the Board of Directors of PBG S.A. hereby informs that on 12th December 2007 it issued bearer bonds:

1) Objective of bonds issue:

- improvement of financing structure by means of changing a short-term debt into long-term debt
- gaining funds for acquisitions/capital investments
- payment of a current liability with regard to bonds issued in 2005.

2) Type of bonds issued:

Bearer bonds issued in dematerialised form pursuant to the Bonds Act of 29th June 1995 (Journal of Laws No. 120 of 2001 item 1300 as amended) ("Bonds")

3) Scope of issue: PLN 200 000 000 (say: two hundred million zlotys).

4) Nominal value and bonds issue price or manner of its determination:

Nominal per-bond value totals: PLN 100.000 while the minimal issue price shall total 100% of the bond's nominal value.

5) Terms of bonds redemption and of paying out bonds interest:

The redemption date of all Bonds shall be 15th November 2010.

Interest payable according to variable rate based on WIBOR 6M . Issue profitability based on market conditions.

6) Amount and form of potential security and designation of the entity granting the security:

- a) civil law guaranty up to the issue value granted by Hydrobudowa Włocławek SA - a subsidiary of the Issuer
- b) civil law guaranty up to the issue value granted by Infra Sp. z o.o. - a subsidiary of the Issuer
- c) civil law guaranty up to the issue value granted by Hydrobudowa 9 SA – a subsidiary of the Issuer

7) Value of commitments as at the last day of the quarter preceding the acquisition proposal: PLN 360.632 k as at 30th September 2007

Forecast of total commitments of PBG SA until bonds redemption:
PLN 518.595 k + PLN 200 000 k

8) Data allowing the potential buyers of bonds to estimate the results of the enterprise to be financed from the issue of bonds and the ability of PBG SA to meet the commitments arising from bonds:

Available in Issuer's offer to acquire series B bonds.

9) Rules of calculating the value of non-pecuniary performance into pecuniary performance: There are no non-pecuniary performances not arising from the bonds.

The Board of Directors of PBG S.A. informs about representations made by subsidiaries: Infra Sp. z o.o. and Hydrobudowa 9SA on 11th December 2007 on granting guaranties for all holders of Series B shares (jointly and severally) to be issued by PBG S.A.

The guaranty is unconditional and irrevocable and covers all commitments of PBG SA arising from bonds redemption to be incurred in the future, and in particular commitments related to payments of pecuniary performances from bonds, statutory interest calculated in the case of delays in the payments of commitments from Bonds redemption and other costs.

The Companies granting the guaranties have a joint and several liability together with PBG SA as the Bond Issuer for the commitments arising from the bonds redemption for up to PLN 240 m. Guaranties of Infra Sp. z o.o. , Hydrobudowa 9 SA and Hydrobudowa Włocławek SA (the company informed about this fact on 12th December 2007 in current report no. 47/2007) have been granted until 15th May 2011.

Legal basis: Art. 5 item 1 point 7 and 11 of the Regulation of 19th October 2005 on current and interim information provided by issuers of securities.

Signature of the authorised person

Magdalena Eckert-Boruta